

25 SEP
1962

MEMORANDUM FOR THE RECORD

Revs

11-10

SUBJECT: GSI Donations to CIA Welfare Association

1. I met with Miss Margaret Dolson, Assistant Secretary Treasurer of GSI to discuss the matter of donations to the CIA Welfare Fund. Miss Dolson explained that the method of obtaining such donations required formal notification to GSI of opening of a cafeteria or other food vending facility and a request to participate in the distribution of the amount appropriated by the Board of Governors. She also explained that it was the small amount of the last Agency share that prompted her to write the letter of 20 August 1962, addressed [redacted] informing us of these requirements.

2. As a result of Col. White's letter of 4 September the headquarters cafeteria is now officially recognized as all-CIA patronized and we will be credited with the revenue it produces starting with the 9th period which begins in early August. Henceforth we should receive donations at least equal to previous years. Miss Dolson also agreed to give us credit for patronage at R & S and Curie Hall cafeterias. With respect to [redacted] we will be required to give formal notification and request donations at the time the cafeteria is in operation.

3. Miss Dolson said she could not make donations earned earlier this year by headquarters cafeteria payable retroactively. The \$20,000 set aside for this purpose is paid out in four installments of \$5,000 each. Two distributions have already been made this year and the payments could not be recovered. Furthermore Miss Dolson said correction could not be made at the next payment on the basis of a recalculation for the entire year since this would result in a drastic reduction in payments to other welfare associations. In her view the error was ours and we must accept the consequences.

4. I explored with Miss Dolson the various methods of contracting for GSI services. Apparently GSA is the determining factor. Independent contracts are arranged only with Federal agencies whose properties are not managed by GSA. When GSA is in the picture it controls the contracting through Public Buildings Service and Miss Dolson was not aware of any PBS contract for cafeteria facilities with any organization other than GSI. We may be committed to GSI for life.

JEB 50 10 20 WH, RS



STATINTL

~~SECRET~~

Subj. file

P 20021110

Director of Personnel

7 September 1961

Chief, Audit Staff

**Report of Audit of the CIA Welfare Assistance Board
For the Year Ended 31 May 1961**

Attached is subject report. Please advise the
Chief, Audit Staff, of the action taken on the suggestion
made in paragraph 2 of the report.

25X1A



Attachment

Distribution:

Orig. & 1 - Director of Personnel
1 - Deputy Director (Support)
1 - Inspector General

~~SECRET~~

AUDIT STAFF

REPORT OF AUDIT

This report presents the findings developed from an audit of activities and accounts undertaken pursuant to Audit Staff responsibilities and authorities set forth in organization regulations. The audit included review and appraisal of internal controls and procedures and such other audit processes, test checks and verification of accounts, assets and transactions as were considered appropriate and consistent with generally accepted audit standards in the circumstances.

The objectives of the audit were to determine for management whether

- (1) Adequate controls and procedures have been established and are being applied effectively to safeguard organization resources and assure that resources are used only for approved and legal purposes, and
- (2) Activities are being conducted economically, efficiently and in conformance with policy determinations and directives.

The Audit Staff will be glad to furnish such additional data as may be available to it on any matter discussed in this report and to assist in any actions on these matters.

CIA Welfare Assistance Board

For the period:

From 1 June 1960 To 31 May 1961 25X1A



Chief, Audit Staff

Date 7 September 1961

This report consists of 3 pages.

SECRET

**REPORT OF AUDIT
CIA Welfare Assistance Board**

**For the Period
1 June 1960 to 31 May 1961**

GENERAL

1. During the year the CIA Welfare Assistance Board made 24 new loans totaling \$1,934.59. A total of 20 loans totaling \$1,157.20 were outstanding at 31 May 1961, of which 15 with balances of \$720.06 were delinquent. Further financial details are shown in Exhibit A - Balance Sheet and Exhibit B - Statement of Income and Expense.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

2. Board activities were carried out in an efficient manner during the year. We suggest control over cash be improved by the establishment of a checking account and disbursements made by check whenever possible.

3. The cooperation and assistance rendered the auditor by the Executive-Secretary during the course of the audit are appreciated.

SECRET

Exhibit A

CIA Welfare Assistance Board
Balance Sheet

31 May 1961

Assets

Cash on hand	\$ 657.23
Cash on deposit:	
Northwest Federal Credit Union	3,516.34
Washington Permanent Savings and Loan Association	2,074.33
Loans	<u>1,157.20</u>
Total Assets	<u>\$ 7,405.10</u>

Net Worth

Welfare Fund Balance 6/1/60	\$ 6,480.23
Add: Net Income, 1 June 1960 - 31 May 1961 (Exhibit B)	<u>924.87</u>
Welfare Fund Balance 5/31/61	<u>\$ 7,405.10</u>
Total Net Worth	<u>\$ 7,405.10</u>

SECRET

Exhibit B

**CIA Welfare Assistance Board
Statement of Income and Expense**

1 June 1960 - 31 May 1961

Income

General Services, Inc.	\$ 1,637.14
Franchise Fees	378.00
Dividends	<u>74.33</u>
	2,089.47

Expenses

Grants to Recreation Fund	\$ 1,144.60
Uncollectible Loan Charged Off	<u>20.00</u>
	<u>1,164.60</u>
Net Income for Period	<u>\$ 924.87</u>

SECRET

AGENDA

CIA WELFARE ASSISTANCE BOARD MEETING

ROOM 2611 CURIE HALL

20 APRIL 1961

1:30 P.M.

1. Summary of Welfare and Recreation Finances
2. Recreation Program Budget
3. Itemized Listing of Budget Categories
4. Uncollectible Loans

SUMMARY OF WELFARE AND RECREATION FINANCE

INCOME

1. On 3 March 1955 the old Agency Welfare Fund transferred the sum of \$3,403.92 to the present Welfare Fund (which also supports the recreation program).

Government Services Incorporated donates a percentage of their net profits, derived from operation of our cafeterias, for support of our welfare and recreation programs. GSI uses a system of "periods" by which to control their donations. The periods run from 1 thru 13 and payments are spaced throughout the calendar year.

In accordance with authorization received from the Board, [redacted] deposited \$2,000.00 in the Washington Permanent Savings and Loan Association on 14 January 1960. As of this date interest in the amount of \$74.33 has been earned by this deposit. \$13.34 was recorded on 14 January 1960 and \$60.99 was recorded on 12 January 1961.

2. BANK BALANCE OF WELFARE FUND

<u>As Of</u>	<u>Amount</u>
March 1955	\$3253.92
June 1955	3591.67
January 1956	2434.44
June 1956	2628.12
January 1957	3213.50
June 1957	3325.96
January 1958	3356.21
June 1958	3704.22
January 1959	4441.35
June 1959	5008.11
January 1960	4962.49
June 1960	4707.90

3. SUMMARY

<u>Period Covered</u>	<u>Income</u>	<u>Grants to Recreation (Approved Budget)</u>	<u>Welfare Loans Extended No.</u>	<u>Amount</u>
1948	\$ 81.48			
1949	28.66			
1950	444.26			
1951	633.31			
1952	970.22			
1953	1067.29			
1954	1492.76			
1955	1576.92		5	\$ 693.00
1956	1535.80	\$1100.00	27	3530.00
1957	1500.55	1235.00	45	3748.55
1958	1471.10	1281.65	36	3512.00
1959	1415.96	1546.85	24	1791.61
1960	*1291.06	1668.00	24	2446.00

Total Net Worth of the Welfare Fund as of 30 June 1960
was \$7102.51.

*Includes interest of \$13.34 received from Washington
Permanent Savings and Loan Association.

RECREATION PROGRAM - BUDGET ESTIMATES

FISCAL YEAR 1961

It is requested that the Recreation Program Budget for Fiscal Year 1961 be approved in the amount of \$1335.00

Anticipated expenses are broken down as follows:

A. League Franchise Fees	\$ 681.00
B. Trophies and Awards	434.00
C. Clubs and General Activities	120.00
D. Other Expenses	100.00
E. Equipment	----- <u>\$1335.00</u>

STATINTL

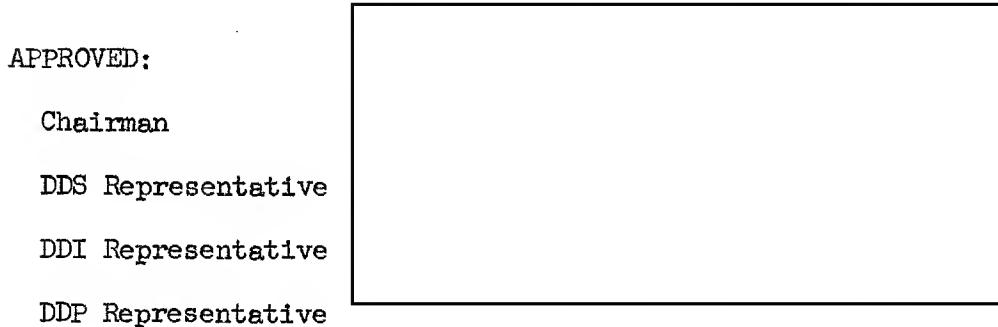
APPROVED:

Chairman

DDS Representative

DDI Representative

DDP Representative



A. LEAGUE FRANCHISE FEES

Team franchise fees are paid to the D. C. Recreation Department to cover expenses for Officials (umpires & referees), Services (schedule, trophies, maintenance and use of athletic fields & gymnasiums), and participation in City-wide tournaments. The fees are actually payment for services and materials provided, without which these activities could not exist. Traditionally the mens' teams have paid half of the fee while our Recreation Program paid half.

<u>Activity</u>	<u>Number of Participants</u>	<u>Teams</u>	<u>Total Cost</u>	<u>Budget Requirement</u>
Basketball (men)	90	6@\$45.00	\$270.00	\$150.00
Basketball (women)	19	1@\$38.00	38.00	38.00
Softball (men)	320	16@\$38.00	608.00	320.00
Softball (women)	36	2@\$38. / 37.00	113.00	113.00
Touch Football (men)	60	4@\$30.00	120.00	60.00
			<u>\$1149.00</u>	<u>\$681.00</u>

B. TROPHIES AND AWARDS

In order to provide for those sports, activities, and special events not covered by the "franchise" program the Recreation Officer buys various items individually. Included in this appropriation is the engraving of trophies (including those from franchise activities).

<u>Activities</u>	<u>Number of Participants</u>	<u>Trophy Cost</u>	<u>Engraving Cost</u>	<u>Budget Requirement</u>
Basketball (men)	90	\$	\$ 25.00	\$ 25.00
Basketball (women)	19	26.00		26.00
Bowling (Duckpin)	280	80.00	20.00	100.00
Bowling (Tenpin)	224	60.00	15.00	75.00
Golf (A League)	34	28.00	7.00	35.00
Golf (B League)	30	28.00	7.00	35.00
Touch Football	60		25.00	25.00
Softball (men)	320	33.00	40.00	73.00
Softball (women)	36		15.00	15.00
Tennis	?			25.00
		<u>\$255.00</u>	<u>\$154.00</u>	<u>\$434.00</u>

C. CLUBS AND GENERAL ACTIVITIES

Clubs, as we refer to them, are activities other than sports for which no franchise fee or specific inherent cost is specified. They are, however, supported from time to time with cash donations for the purchase of special items, i.e., a gavel for the Toastmasters Club, which remain with the club and serve the club members at large. Each such expenditure is individually considered by the Recreation Officer and approved by the Chief/BSD prior to a disbursement of funds.

<u>Activity</u>	<u>No. of Participants</u>	<u>Budget Requirements</u>
Archeology	15	\$ 15.00
Choral (Pentagon)	3	15.00
Fencing	6	15.00
Horseback Riding	60	15.00
Rifle & Pistol	40	15.00
Sky Diving	8	15.00
Stamp	15	15.00
Toastmaster	40	15.00
		<u>\$120.00</u>

D. OTHER EXPENSES

This amount is requested for miscellaneous expenses, i.e., postage, receipt books, etc., and for possible expenses which have not been anticipated. This fund would also be utilized to accomodate increases in activities and/or price rises.

<u>Activity</u>	<u>Budget Requirement</u>
Other Expenses	\$100.00

E. EQUIPMENT

SITUATION

In the past we have attempted to support our organizational components by providing athletic equipment for their unit picnics and outings. To do this we were using left over equipment, gifts of odd items, and by borrowing from our regular, organized athletic teams.

In the Budget Estimates for last year (FY 1960) a request was made, and approved, for \$180.00 to purchase athletic equipment with which to make three "picnic kits". Each kit was to be a wooden box, approximately the size of a footlocker, and would contain enough equipment to serve up to 75 people. Experience has shown us that too much breakage occurs when canvas bags are used to transport the assorted equipment.

EXPLANATION

The above mentioned equipment was not purchased because:

- (1) The Office of Logistics estimated the cost for making the three boxes to be \$140.00. It is felt that the initial expense of the boxes and the equipment (plus replacements) makes the cost prohibitive.
- (2) We discovered that some of the outings, for which we were requested to provide equipment, were neighborhood affairs, not necessarily for CIA personnel.
- (3) We were informed that the D. C. Recreation Department would loan, without charge, complete picnic kits to any group of people upon request. The Department assured me that they can, and do, handle a considerable volume of requests. This information is included in our Newsletter at appropriate seasons of the year.

(continued)

RECOMMENDATION

In view of the above, it is recommended that the Agency discontinue attempting to provide recreational equipment for office picnics. It is further recommended that we dispose of the odd items we presently have on hand. If such action is approved, it is requested that the Board decide upon a form of disposition. Some possible means of disposal are: (1) In the form of a gift to the OTR Field Training Station, or any other Agency component having need for such equipment, (2) In the form of a gift to Goodwill Industries, Salvation Army, Boy Scouts, etc., (3) Sale to individual Agency employees at a "fair market value", or (4) Return to the Office of Logistics to be put in stock.

<u>ITEMS</u>	<u>AMOUNT</u>	<u>CONDITION</u>
Volley ball & net	1	Fair
Croquet - mallets	6	Fair
balls	4	Poor
Badminton Rackets	3	Good
Badminton net (w/poles)	1	Fair
Web Feet (swimming)	4 pair	Good
Picnic Jugs (Gallon)	5	Good
Horseshoe Set - shoes	8	Good
stakes	2	Good
Duffel Bags	3	Good
Fencing Outfits (foils & suits)	5	Good

In addition we have four basketballs and a football. It is proposed that we keep these items as they are either on loan or committed to our active, organized recreational activities.

STATINTL

Approved For Release 2002/05/17 : CIA-RDP85-00375R000200110027-0

Approved For Release 2002/05/17 : CIA-RDP85-00375R000200110027-0

STATINTL

MEMORANDUM FOR:

SUBJECT:

1. I have reviewed the financial records of the CIA Welfare Assistance Board and recommend that one loan, described in the attached Memorandum for the Record, be declared uncollectible.

2. I would appreciate your reviewing the case and signing the attached Memorandum to indicate your approval for me to write this loan off my books.

STATINTL

[Redacted]
Executive Secretary
CIA Welfare Assistance Board

Attachment

*Approved by Board
19 April 1961*

STATINTL

Chairman

14 January 1960

MEMORANDUM FOR: The Record
SUBJECT : Savings Account

STATINTL

1. In a meeting of the CIA Welfare Assistance Board on 9 December 1959, [redacted] was commissioned to investigate the possibilities of investing 2 or 3 thousand dollars of the Welfare Fund in a savings or building and loan account.

2. On this date, 14 January 1960, \$2,000.00 of Welfare Fund money was invested as a Savings Account in the Washington Permanent Savings and Loan Association. Interest is at 4% and dividends are declared quarterly and credited to each account the last business day of March, June, September, and December.

3. In our bookkeeping system one column (of the Cash & General Journal) is listed as "10- Cash in Bank". In all of our references the "Bank" is understood to be the Credit Union. With the addition of the savings account as mentioned in paragraph 2 of this memo, we actually now have two banks instead of one. In future references the "Bank" will continue to be the Credit Union and any reference to the savings account will be to the "Bank" but also will carry the indicator, (SL).

[redacted] STATINTL

Secretary, Welfare Assistance Board

Distribution:

Original - Folder - Minutes of Meetings & Bylaws.
Copy - Folder - Cash & General Journal
Copy - Folder - General Ledger Accounts
Copy - Folder - Welfare & Financial Statements

STAT

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AGENDA

CIA WELFARE ASSISTANCE BOARD MEETING

Office of the Director of Personnel

9 December 1959

3:00 P. M.

1. Summary of Financial Status
2. Recreation Program Budget
3. Itemized Listing of Budget Categories

Summary of Welfare and Recreation Finance

INCOME

1. On 3 March 1955 the 'old' Agency Welfare Fund transferred the sum of \$3,403.92 to the present Welfare Fund (which also supports the recreation program).

2. The following is a listing of donations from Government Services Incorporated. GSI uses a system of "periods" by which to control donations to our Recreation and Welfare Fund. The periods run from 1 thru 13 and payments are spaced throughout the calendar year.

<u>Period Covered</u>	<u>Amount</u>	<u>Period Covered</u>	<u>Amount</u>
1948	\$ 81.48	1954	\$ 1492.76
1949	28.66	1955	1576.92
1950	444.26	1956	1535.80
1951	633.31	1957	1500.55
1952	970.22	1958	1471.10
1953	1067.29		
		TOTAL:	\$10,802.35

GRANTS TO PRA (Approved Budgets)

<u>Fiscal Year</u>	<u>Amount</u>
1956	\$ 1100.00
1957	1235.00
1958	1281.65
1959	1546.85
	\$ 5163.50

Welfare Loans Extended

March 1955 - June 1955	5	\$ 693.00
July 1955 - June 1956	27	3530.00
July 1956 - June 1957	45	3748.55
July 1957 - June 1958	36	3512.00
July 1958 - June 1959	24	1791.61
	137	\$ 13275.16

Bank (Credit Union) Balance of
Welfare Fund

<u>As Of:</u>	<u>Amount</u>
March 1955	\$ 3253.92
June 1955	3591.67
January 1956	2434.44
June 1956	2628.12
January 1957	3213.50
June 1957	3325.96
January 1958	3356.21
June 1958	3704.22
January 1959	4441.35
June 1959	5008.11

SUMMARY

<u>Period Covered</u>	<u>Income</u>	<u>Grants to PRA</u>	<u>Welfare Loans</u>
1955	\$ 1576.92	- - -	\$ 693.00
1956	1535.80	\$ 1100.00	3530.00
1957	1500.55	1235.00	3748.55
1958	1471.10	1281.65	3512.00
1959	1471.10*	1546.85	1791.61
	\$ 7555.47	\$ 5163.50	\$13275.16

*Assuming 1959 will be same as 1958.

RECREATION PROGRAM - BUDGET ESTIMATES

FISCAL YEAR 1960

It is requested that the Recreation Program Budget for Fiscal Year 1960 be approved in the amount of \$1668.00.

Anticipated expenses are broken down as follows:

A. League Franchise Fees	\$ 829.00
B. Trophies and Awards	419.00
C. Clubs and General Activities	140.00
D. Other Expenses	100.00
E. Equipment	<u>180.00</u>
	<u>\$1668.00</u>

APPROVED:

Chairman

DDS Representative

DDI Representative

DDP Representative

A. LEAGUE FRANCHISE FEES

Team franchise fees are paid to the D. C. Recreation Department to cover expenses for Officials (umpires and referees), Services (instructors, schedules, trophies), Maintenance and use of athletic fields and gymnasiums, and participation in City-wide tournaments. The fees are actually pay for services and materials provided, without which these activities could not exist. Traditionally our mens' teams have paid half of the fee while the Agency paid half.

<u>Activity</u>	<u>No. of Participants</u>	<u>Teams</u>	<u>Total Cost</u>	<u>Budget Requirement</u>
Basketball (men)	96	8 @ \$ 43.00	\$ 344.00	\$ 184.00
Basketball (women)	25	2 @ 45.00	90.00	90.00
Softball (men)	320	16 @ 50.00	800.00	400.00
Softball (women)	30	2 @ 40.00	80.00	80.00
Touch Football (men)	60	6 @ 25.00	150.00	75.00
			<u>\$1464.00</u>	<u>\$829.00</u>

B. TROPHIES AND AWARDS

In order to provide for those sports, activities, and special events not covered by the "franchise" program the Recreation Officer buys various items individually. Included in this appropriation is the engraving of trophies (including those from franchises). Heretofore, the engraving costs have been absorbed in the overall program but due to rising prices, it is now felt necessary to include them in the budget.

<u>Activity</u>	<u>No. of Participants</u>	<u>Trophy Cost</u>	<u>Engraving Cost</u>	<u>Budget Requirement</u>
Basketball (men)	96		\$ 30.00	\$ 30.00
Basketball (women)	25		10.00	10.00
Bowling (Duckpin)	300	\$ 80.00	20.00	100.00
Bowling (Tenpin)	180	60.00	15.00	75.00
Golf (A League)	40	25.00	7.00	32.00
Golf (B League)	30	25.00	7.00	32.00
Touch Football	60		25.00	25.00
Softball (M & W)	350		40.00	40.00
Tennis	50/100	60.00	15.00	75.00
		<u>\$250.00</u>	<u>\$169.00</u>	<u>\$ 419.00</u>

C. CLUBS AND GENERAL ACTIVITIES

Clubs, as we refer to them, are those activities other than sports and for which no franchise fee nor specific inherent cost is specified. They are, however, supported from time to time with cash donations for the purchase of special items which remain with the club and serve the club members at large. Each such expenditure is individually considered by the Recreation Officer and approved by the Approving Officer prior to a disbursement of funds.

<u>Activity</u>	<u>No. of Participants</u>	<u>Budget Requirement</u>
Choral (Pentagon)	25	\$ 50.00
Rifle and Pistol	45	15.00
Toastmaster	35	15.00
Horseback Riding	30	15.00
Stamp	40	15.00
Archeology	50	15.00
Fencing	10	15.00
Picnics, Outings, etc.		See Equipment \$ 140.00

D. OTHER EXPENSES

This amount is requested for miscellaneous expenses, i. e., postage, receipt books, etc. Also for possible expenses which have not been anticipated. The funds requested in other portions of this budget (other than clubs) are exact amounts expended in FY 1959. This fund would also be utilized to accomodate increases in activities and/or price rises.

<u>Activity</u>	<u>Budget Requirement</u>
Other expenses	\$100.00

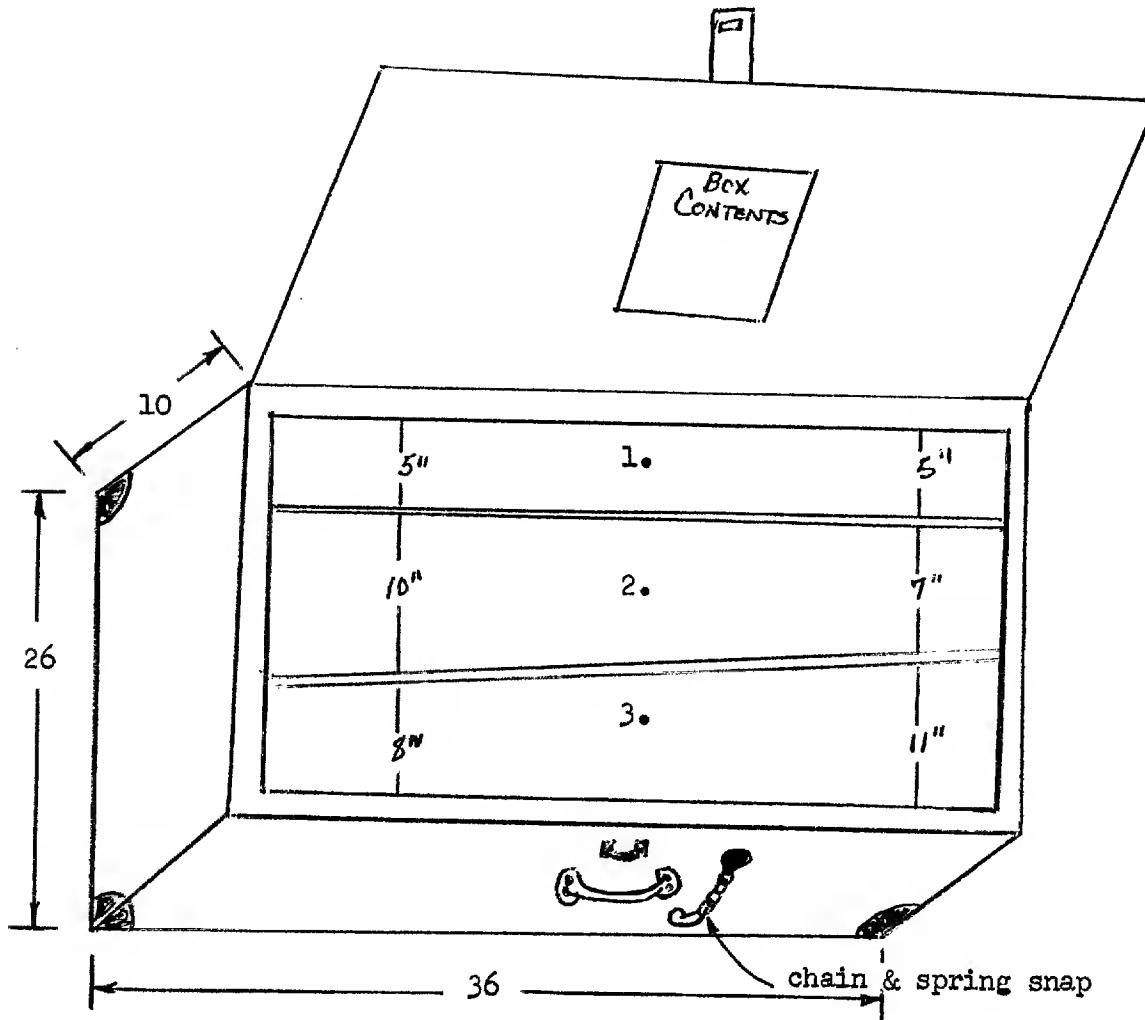
E. EQUIPMENT

In addition to the other recreational activities we have encouraged organizational components to hold unit picnics and outings. We feel that this is a profitable investment which promotes greater on-the-job efficiency, bolsters morale, and pays dividends in Agency unity and interest. To date, in 1959, we have supported 18 such outings involving over 1300 employees. This support is currently being provided by using left over equipment, gifts of odd items, and by borrowing from regular teams (for example, the MPD softball team).

In order to support these activities in a first class manner, and with a minimum of time and energy expended, it is proposed that standardized "picnic kits" be made. Each kit would be a box (which could be made by the Office of Logistics) that would serve up to 75 people. See attachment, and would contain the following items:

Two softball bats, three softballs, one football, one volleyball and net, one complete badminton set. We already have a horseshoe set, a croquet set, and several one gallon thermos jugs which can be loaned too, if desired. Each set should cost a maximum of \$60.00 not including the box. It is felt that three kits would be adequate. In subsequent years the cost should be minor as the only cost would be replacement of individual items.

PICNIC CHESTS



CHEST CONTENTS:

1. Softball- 2 bats, 3 balls
2. Volleyball & net; football
3. Badminton- 4 rackets, birds, net and poles

WELFARE FUND

1. During the Fiscal year 1960, twenty-four loans, totaling \$2,446.00, were extended to Agency employees.

The following is provided to show the amounts' purposes for which loans were approved.

<u>Number</u>	<u>Amount</u>	<u>Purpose</u>
6	\$ 730.00	Hospital - medical expenses - self or member of family.
1	42.00	To cover personal check.
1	50.00	To supplement funds until receipt of pay for advanced annual leave.
8	498.00	Emergency living expenses - extenuating circumstances i.e., auto accident, rent, medicines, etc.
2	400.00	Emergency funds - non receipt of pay up on returning from overseas.
1	160.00	Replace lost pay check until its location or replacement.
2	250.00	To make trip due to critical illness or death in family.
1	150.00	To pay for movement of household effects - until reimbursement is made.
1	106.00	To pay delinquent note for which co-signed. Individual had left the area.
<u>1</u>	<u>60.00</u>	To pay legal fees - subject was scheduled for overseas departure.
<u>24</u>	<u>\$2,446.00</u>	

2. On an Agency wide, component basis, the twenty-four loans were broken down as follows:

DDP	--	8
DDRS	--	9
DDI	--	5
IG	--	1
PI	--	1
		<u>24</u>

3. Bank balance of the Welfare Fund as of 31 March 1961.

Cash in bank (Credit Union)	\$3,436.34
Cash in Washington Permanent Savings & Loan Association	2,074.33
Cash on hand	377.55
Out on loan	1,229.06
Total net worth	\$7,117.28

ILLEGIB

Approved For Release 2002/05/17 : CIA-RDP85-00375R000200110027-0

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